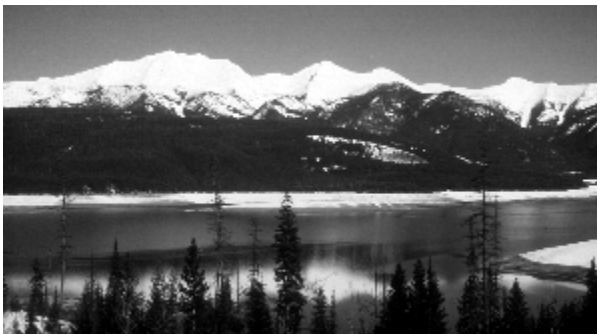


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A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

Journal

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WSCC proposes creating security coordinators to increase reliability

At the annual meeting in November, the Western Systems Coordinating Council board proposed creating four security coordinators to monitor reliability and unusual operating conditions in the council's membership area. BPA would monitor the Northwest; Western Area Power Administration, the Rocky Mountains; Arizona Public Service, Arizona and New Mexico; and Pacific Gas & Electric, California. Coordinators would have authority to direct operations immediately before, during and immediately after any problems or disturbances expected to have a regional impact. It could cost approximately \$5 million to set up the coordination centers. The cost would be collected from membership fees. The WSCC also recommended establishing a reliability compact where mandatory protocols would replace volunteerism. Protocols would be subject to enforcement, sanctions and penalties. The WSCC asked that the Federal Energy Regulatory Commission support the protocols in its tariffs and licensing. Another recommendation is that all market participants in the WSCC region must become WSCC members. A task force will develop a plan for implementing the compact. Parallel recommendations are expected from the North American Electric Reliability Council at the annual meeting which convenes in January 1997.

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Comprehensive Review approves BPA's role in energy efficiency

On Nov. 14, the steering committee of the [Comprehensive Review](#) of the Northwest Energy System accepted BPA's proposed role in the development of the energy efficiency market. The action provides BPA the support the agency needs to help advance energy efficiency opportunities in the Pacific Northwest in ways that complement the actions of private sector firms. The steering committee decision came after hearing the recommendation of a three-member subgroup appointed to study the issue. The subgroup's recommendation reflected the principles contained in BPA's revised proposal for market development activities and added some additional criteria.

The keystone of BPA's energy services activities will continue to be the agency's historical, or legacy, conservation programs and its support of regional market transformation efforts. Through market development, BPA will focus on a relatively narrow niche to add value through the use of existing relationships, innovative technology and financing arrangements. BPA will not compete with private enterprise. Rather, it will serve the needs of its public and federal agency customers by partnering with private sector firms.

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Steering committee prepares final energy proposal

The steering committee of the [Comprehensive Review](#) delivered its [final report](#) to the Northwest governors on Dec. 12. The committee has agreed to urge the states to pass laws requiring a uniform system benefits charge of 3 percent of each utility's revenues to raise approximately \$210 million a year for energy conservation, renewables and low-income weatherization programs. Utilities would be

exempt from the state laws if they can demonstrate they are providing the equivalent benefits on their own by July 1999. The steering committee also wants full customer choice to be in place by July 1999. The proposal recommends BPA offer five- to 20-year subscriptions first to regional public entities; second, to current direct-service industries and residential and small farm customers of investor-owned utilities; third, to other DSI loads and regional wholesale loads; fourth, to remaining regional utilities; and, fifth, to extra-regional customers and regional customers that wish to buy only at market prices. Under the proposal, utilities that leave BPA would have to pay market rates rather than cost-based rates if they return. The steering committee also endorses separating BPA's transmission and generation and supports a regional independent grid operator. The committee will present the final proposal to the four Northwest governors on Dec. 12.

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Moody's affirms bond security

Moody's Investors Service, a national credit rating agency, recently issued a credit report addressing how the outcome of the Comprehensive Review could affect the Washington Public Power Supply System bonds. Moody's acknowledges the bonds are secure because BPA's net billing agreements provide security for the bonds until the bonds are retired and the Comprehensive Review draft proposal states that "the security and the tax-exempt status of the net-billed bonds of the Washington Public Power Supply System be preserved." Moody's recently upgraded the bonds from Aa to Aa1 because of BPA's improving financial and competitive position.

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BPA joins utilities in IndeGo discussions

BPA has become the tenth utility to agree to take part in talks to create an independent grid operator for the Pacific Northwest and Utah, Nevada and Wyoming. BPA signed a memorandum of understanding on Nov. 15. The MOU gives BPA a place at the table to discuss concepts and set direction for such issues as reliability, planning, and the functions and duties of a regional grid operator. It gives BPA a chance to work with other utilities to form an effective, reliable grid operator for the Northwest region and adjacent states, and to see what opportunities there are for BPA. Signing the MOU does not obligate BPA or the other utilities to join IndeGo. If BPA chooses not to join, such discussions would still be necessary to define BPA's relationship to that new organization.

Others who have signed the IndeGo memorandum are Idaho Power, Montana Power, PacifiCorp, Portland General Electric, Puget Sound Power & Light, Sierra Pacific, Washington Water Power, Tacoma City Light and Chelan County Public Utility District. In a July 12, 1996, news release, seven of the utilities announced their hope to create a Northwest grid operator by July 4, 1997. Together they own about 11,000 miles of high-voltage transmission of 230-kilovolts or more. These lines would be included in IndeGo. BPA also owns 11,000 circuit miles of similar high-voltage transmission.

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Snow and ice storms in Spokane cause power outage

On Nov. 19, a snow storm followed by an ice storm in Spokane, Wash., resulted in a major power

outage throughout the city. The heavy snow and ice weighted down trees and caused them to fall onto power lines. The outage occurred on Washington Water Power lines and 100,000 customers were without power. Customers in the Coeur d'Alene, Id. area also lost power. Because of the extensive damage, some lines were out for more than a week. BPA's lines withstood the storm with only the Bell-Noxon and Grand Coulee-Bell lines out temporarily. The lines were quickly restored and BPA did not cause any outages to BPA customers. BPA sent crews to help restore WWP lines. At press time, most lines had been restored but 1,000 customers were still without power.

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Energy secretary resigns

Secretary of Energy Hazel O'Leary is resigning effective Jan. 20, 1997. President Clinton has not yet submitted a nominee to replace O'Leary. BPA and the nation's four other federal power marketing agencies report to the Department of Energy.

[Web editor's note: On Dec. 20, President Clinton named Federico Pena to replace O'Leary.]

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Electric futures prices rise

After eight months in operation, the New York Mercantile Exchange's California-Oregon border electric futures contracts continue to outperform the Arizona counterpart at Palo Verde. COB now has approximately 4,000 contracts, roughly twice the number at Palo Verde. COB daily volume, although slower than had been forecast, exceeds that of the Arizona location. The futures contracts give power producers and large consumers a means for reducing their risk from fluctuating power prices. On Nov. 21, COB December prices hit a high of \$30 per megawatt-hour. When COB opened on March 29, prices were at \$8.50 per megawatt-hour for June deliveries. Other energy commodities, particularly oil and natural gas, have received much attention during this period. Both oil and natural gas futures prices have moved higher in recent months, garnering more attention and shifting some of the focus away from the electric contracts.

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Vernita Bar agreement increases fish survival rate

Each year, from mid-October to the weekend before Thanksgiving, mid-Columbia dam operators conduct special operations aimed at assisting the spawning of chinook salmon at Vernita Bar. Vernita Bar, located about four miles downstream from Priest Rapids Dam on the Columbia River, represents nearly 40 percent of the spawning area in the Hanford Reach. The reach is the only remaining stretch of the river not inundated by dams. In effect since 1988, the Vernita Bar Agreement governs river operations below Priest Rapids to maintain flows that will enhance spawning and hatching of chinook salmon. BPA is a party to the agreement along with Grant, Chelan and Douglas Public Utility Districts; the National Marine Fisheries Service; the states of Oregon and Washington; and the Yakama, Umatilla and Colville tribes. BPA is responsible for arranging for adequate flows from Chief Joseph Dam through requests made under a separate Agreement for the Hourly Coordination of Projects on the Mid-Columbia River.

River flows are manipulated to minimize formation of redds above the river level corresponding to a flow of 70 thousand cubic feet per second. Redds are nests containing fertilized eggs. The objective is to keep water levels high enough through the winter so that the redds remain covered with water until all the eggs hatch and the fish emerge from the gravel beds sometime between April 15 and June 15. Chinook salmon activities are monitored weekly by a team made up of three fishery biologists representing Grant PUD, Washington Department of Fish and Wildlife, and the tribes. As the spawning season continues, the team's main objective is to determine the amount of flow needed over Vernita Bar to protect the redds during the winter and spring months. Although biologists can't say that the agreement has increased the total number of redds at Vernita Bar, it has almost certainly increased the survival rate. Without the agreement, daytime flows would be higher because the demand for power is greater than at night. This would result in the destruction of many redds because most of the spawning activity is during the day and redds exposed to the air when the water level drops would not survive. The agreement reverses this pattern.

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Public Involvement

Status reports

Albeni Falls Wildlife Management Plan/EA. Northern Idaho — Comprehensive plan to guide wildlife mitigation projects in the Lake Pend Oreille area. The final EA/FONSI is available. Call to request a copy.

Anderson Ranch Wildlife Management Plan/EA. Southeast Idaho — Comprehensive plan to guide wildlife mitigation projects for the Anderson Ranch Dam. The preliminary EA will be available in early January. Call to be put on the mail list.

Billy Shaw Dam and Reservoir Resident Fish Project EA. Duck Valley Indian Reservation, Nevada — Partial mitigation for the loss of anadromous fish. The final EA will be available in late December. Call to request a copy.

BPA/Lower Valley Transmission Project. Idaho and Wyoming — To resolve a voltage stability problem in the Jackson and Afton, Wyoming areas; new 115-kV line proposed on existing right-of-way where possible. The draft EIS is being prepared. Call to be added to the mail list.

BPA/PGE Transmission Support Project. Portland Metro area, Oregon — To reinforce transmission system; new 230-kV line on existing right-of-way proposed. The preliminary EA was made available in November. A FONSI is anticipated. Call to reserve a copy.

[Comprehensive Review of the Northwest Energy System \(Regional Review\).](#) Workshops will be held on the following dates: Dec. 5 in Portland and the Grand Finale Dec. 12 in Spokane. [Click here](#) for the final Review report, which was delivered to the Northwest governors on Dec. 12. For further information, please call the Northwest Power Planning Council's Public Affairs office at 1-800-222-3355, E-mail comments to comments@nwppc.org or visit the Comprehensive Review Home Page at <http://www.newsdata.com/enernet/review/review.html>.

Four Mile Hill Geothermal Project EIS (Glass Mountain). Northern California — A geothermal power plant and 30 miles of new transmission line on Forest Service lands in the Klamath and Modoc

Forests. The draft EIS is being prepared. Call to be added to the mail list.

Grande Ronde River Spring Chinook Project. Oregon — Captive broodstock program. The preliminary EA is being prepared. Call to be added to the mail list.

Kootenai River White Sturgeon Aquaculture Project. Northern Idaho, Montana and Canada — Captive broodstock program. A preliminary EA is expected in January. Call to be added to the mail list.

Methow Valley Irrigation District EA. Northern Washington — An EA is being prepared on a proposal to convert the open canal irrigation system to pressurized pipes and wells. Call to be added to the mailing list. See Close of Comment.

Nez Perce Tribal Hatchery EIS. Idaho — Supplementation of anadromous salmonids. The FYI summarizing comments on the draft EIS and a supplement to the draft EIS will be available in December. Call for a copy.

Northwest Regional Power Facility. Washington — The final EIS (#2887) is available. Call to get a copy.

Oliver Delivery Project. Washington — An FYI summarizing scoping comments will be available in December. Call to get a copy.

Sale/Lease of Delivery Facilities Policy. BPA's April 1996 transmission rates settlement called for BPA to put a final policy in place by Oct. 1, 1996 (extended to Nov. 1). Please call for a copy.

Watershed Management Program. Region-wide **Wildlife Mitigation Program EIS.** Region-wide — Guidelines for funding wildlife mitigation projects. Anticipate the final EIS in January. Call to get on the mail list.

Yakima River Basin Water Enhancement Project Programmatic EIS. Washington — The Bureau of Reclamation is taking the lead on this project. BPA is a cooperating agency. A draft programmatic EIS is expected in March 1997. Delayed schedule due to re-examination of river flows and hydrology issues in overall implementation of EIS. For further information or to be put on the mailing list, contact John Tiedeman, BOR, at (509) 575-5848 ext. 238.

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Calendar of Events

[Click here](#) for a region-wide listing of energy industry meetings and events.

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Close of Comment

Methow Valley Irrigation District Project Scoping: **Dec. 2**

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Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement

FONSI: Finding of No Significant Impact

NOI: Notice of Intent

ROD: Record of Decision

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The *Journal* is available on the Internet at <http://www.bpa.gov/Corporate/KC/home/journal/>.

We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or enballa@bpa.gov.

For More Information or To Get Involved:

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